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BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

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Federal Communications Commission
Office of Secretary

In the Matter of	)	
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Telephone Number Portability	)	**CC Docket No. 95-116**
	)	**RM8535**
	)	

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MCI TELECOMMUNICATIONS CORPORATION'S
AND MCIMETRO'S REPLY COMMENTS

Pursuant to Section 1.429 of the Commission's Rules and Regulations, 47 C.F.R. 1.429, MCI Telecommunications Corporation and MCIMetro (collectively "MCI"), by their undersigned attorneys, hereby file this reply to oppositions and comments filed in response to petitions for reconsideration and clarification, and specifically to the Petition for Clarification (Petition) that MCI filed on August 26.

I. INTRODUCTION

In this proceeding, MCI and others have consistently underscored the importance of Local Number Portability (LNP) to the Commission's overall goal of implementing rules and guidelines designed to foster robust competition. The ability of consumers to move their telephone numbers from incumbent local exchange carriers (ILECs) to competitive local exchange carriers (CLECs) without impeding quality, reliability and convenience is critical to the achievement of that goal. As a result, the Commission should strictly scrutinize every attempt to delay or modify implementation of the Commission's rules that are designed to further competition in the local arena.

In this Reply, MCI addresses four issues that are of paramount importance to the deployment of LNP on a pro-competitive basis:

1. MCI's Petition seeking clarification of how additional costs caused by interim LNP (ILNP) should be recovered;
2. USTA's proposal to allow alteration of the implementation schedule in the top 100 MSAs;
3. the importance of Commission reaffirmance of its LNP implementation schedule; and
4. the Commission should reaffirm its rejection of Query on Release (QOR).

II. THE COMMISSION SHOULD REJECT THE ARGUMENTS OF GTE AND USTA IN OPPOSITION TO MCI'S PETITION FOR CLARIFICATION.

In its Petition, MCI asks the Commission to clarify that additional switching and transport costs caused by ILNP measures should be recovered through a competitively neutral allocation mechanism.[1] Of the 20 parties filing oppositions or comments in this proceeding, only GTE and USTA oppose MCI's Petition.

GTE argues that additional switching and transport costs are simply costs of exchange access and should be borne by IXCs as part of access under interim portability.[2] Further, GTE claims that access provided to IXCs is "not changed" by Remote Call Forwarding (RCF) or Flexible Direct Inward Dial (DID).[3] However, as MCI explained in its Petition, the insertion of RCF and DID into call routing results in *additional* switching and transport that would not otherwise occur if the call was not subject to forwarding.[4] For example, when an IXC normally delivers traffic directly to an ILEC end office, it

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[1] MCI Petition at 4-5.

[2] GTE Comments at 19.

[3] Id.

[4] MCI Petition at 4.

pays only end office switching and common line rates for terminating a call. When that same call is ported under a permanent LNP mechanism, the IXC delivers the call directly to a CLEC and again pays end office switching and common line rates (depending on routing arrangements). It is only when a call has been ported via RCF or DID that the IXC could be subject to additional switching and transport. Using this example, where an IXC terminates a call to an ILEC end office, the IXC should pay no more than end office switching and common line rates (to be split among the ILEC and CLEC according to meet point billing arrangements), regardless of what additional switching and transport is added to forward and complete the call.

USTA misstates that MCI's Petition asks the Commission to determine that additional switching and transport costs should be recovered through a "single nationwide pooling mechanism" administered by state commissions.[5] Based on this misstatement, USTA asks the Commission not to establish "a single preferred method for pricing interim local number portability services."[6]

MCI is not asking the Commission to establish nationwide pooling. Rather, MCI is asking the Commission to clarify that *additional* switching and transport costs incurred by LECs in terminating a call subject to RCF and DID should be allocated as incremental costs (not at inflated tarriffed rates for switching and transport), along with other interim number portability costs, through whatever competitively neutral cost

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[5] USTA Comments at 8-9.

[6] Id. at 9.

recovery mechanism is established in a given state.[7] One such competitively neutral allocation method, mentioned in MCI's Petition, involves apportioning costs based on each carrier's share of working telephone numbers or access lines.[8] This is by no means a "pool" in the traditional sense, nor is it "nationwide."

MCI agrees with USTA's support for the Commission giving states some flexibility in choosing among cost recovery approaches that meet the Commission's guidelines. Nevertheless, clarification is required with regard to *what costs* should be recovered through these mechanisms, and USTA does not appear to object to MCI's request to have *additional* incremental switching and transport costs recovered through a competitively neutral mechanism.

III. USTA's PROPOSAL TO ALLOW ALTERATION OF THE IMPLEMENTATION SCHEDULE IN THE TOP 100 MSAs SHOULD BE REJECTED.

In response to the petitions by NEXTLINK and KMC Telecom for limited acceleration of the deployment schedule in areas outside of the top 100 MSAs[9], USTA recommends that the Commission permit state commissions and/or state LNP workshops to adjust the priorities of the Commission's deployment schedule where LECs so request[10]. MCI recognizes and supports the need for carriers to obtain LNP in certain areas before mid-1999 and has no objection to states being allowed to modify the LNP

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[7] MCI Petition at 4.

[8] Id. at 5.

[9] NEXTLINK Petition at 2; KMC Telecom Petition at 2.

[10] USTA Petition at 5.

schedule in areas outside the top 100 MSAs. MCI strongly opposes, however, any attempt to allow states to undo the Commission's schedule for the top 100 MSAs in the process.

Without presenting any new information upon which the Commission could base a decision to allow states to alter the deployment schedule, USTA envisions that "each state commission or state LNP workshop could determine that, for [its] state, LNP deployment should not follow the Commission's time frame, but be adjusted to reflect more closely the needs of new entrants."[11] Adopting such a proposal is tantamount to making the Commission's schedule a mere suggestion, since every state could potentially "adjust" it to suit a carrier's particular needs. This proposal would give resistant ILECs unlimited opportunities to cripple LNP deployment in every MSA and force new entrants to defend the need for MSA-wide portability, which the Commission has already ordered, on a state by state basis. Thus, one of the most important benefits of the Commission's schedule -- creating an environment of certainty for carriers entering a local market -- would be lost as new entrants were forced to justify end office deployment on an office-by-office basis.

Once number portability is introduced in an area, the incremental cost and resources needed to add additional end offices is relatively minor since the majority of costs associated with LNP deployment in an area, i.e., SCP hardware and signaling links, operational support systems modifications, and shared regional database costs, will

[11] Id.

already be incurred. On the other hand, if new entrants are forced to request additional LNP deployment each time a new customer requesting service is located in an end office that was left out in a "re-adjustment," any incentive and ability to widely market their services will be impaired.[12] Thus, any supposed benefits of giving ILECs the chance to seek re-adjustment of the schedule are far outweighed by the need to create an environment that supports and encourages competition.

MCI agrees with USTA that carriers should be allowed to submit *bona fide* requests for LNP six months earlier than the January 1, 1999, date established by the Commission, so that deployment of those requests could actually begin on January 1, 1999, for areas outside the top 100 MSAs.[13] Since deployment in all top 100 MSAs will be complete by then, there should be no need for an ILEC to wait six months before meeting additional deployment requests.[14] The Commission should confirm that ILECs are to meet requests at an earlier date than required whenever and wherever possible. For

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[12] GTE goes so far as to suggest that waivers should be automatically granted for any office in a top 100 MSA for which there is no immediate intention by a competitor to serve, and that once a request is submitted, a LEC would have up to six months to provide portability in that office. (GTE at 15.) There is no reason why it should take six months to deploy LNP software in an office within an MSA where a carrier is already providing portability. Such a proposal serves no purpose other than to delay as long as possible the ability of competitors to serve new customers.

[13] USTA Comments at 7.

[14] MCI recognizes that there may be some circumstances where an ILEC is genuinely unable to meet its LNP obligations pursuant to the Commission's deployment schedule. In such instances, which should be the exception rather than the rule, ILECs can avail themselves of the Commission's waiver process. Order at ¶ 85.

example, an office adjacent to an MSA where LNP has already been deployed, where no new hardware is needed, could easily be converted within one to two months, rather than six. Carriers should be directed to consider a June 1, 1998, date for *bona fide* requests, and the six months allowed from request to deployment, as outside time frames, to be improved upon if possible.

V. THE COMMISSION SHOULD REJECT ANY AND ALL ATTEMPTS TO DELAY ITS IMPLEMENTATION SCHEDULE.

Throughout this proceeding, ILECs have seized upon every opportunity to delay implementation of the portions of the Commission's rules that are specifically designed to hasten the technical and operational environment in which local competition will thrive. Although this type of behavior is fairly predictable, the Commission should clarify that such excuses for delay, even when based on otherwise technically sound enhancements, will not be tolerated. The necessity of this confirmation is becoming more and more apparent as ILECs continue to delay competition in the local arena. For example, Pacific Bell asserts that the Commission should adjust the implementation schedule.[15] Cincinnati Bell likewise asks the Commission to extend implementation intervals for Phase I and Phase II from 90 to 180 days.[16] Given the continued attempts by BOCs to find excuses to delay implementation, the Commission should make clear that the introduction of new services that are not compatible with LRN will not be considered

[15] Pacific Bell Comments at 3.

[16] Cincinnati Bell Comments at 2.

"extraordinary circumstances beyond [a BOCs] control,"[17] and thus will not be an excuse to receive a waiver of the implementation schedule.

In order to affirm its intention not to disturb its implementation schedule, the Commission should instruct BOCs that new technologies must be made to conform to LRN before using it for services, rather than expect LRN to be modified, and thus LNP delayed, each time a new service or technology is or may be introduced at a future date. This is especially true in the case of AINO.2 since it has not yet been deployed in any network.[18] The Commission should act now to send a message to all ILECs that the tariffing and deployment of any and all services that will interfere with the deployment of LRN in support of LNP will not be tolerated. Moreover, the Commission should make clear its intention that new services must be designed and built using software that conforms to LRN. Such specificity is required since implementation of the Commission's LNP schedule is of paramount importance and serves the public interest.

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[17] Order at ¶ 85.

[18] In a recent Georgia Steering Committee meeting, BellSouth ("BS") announced its intention to roll out sometime in the future a new service that utilizes the AINO.2 software platform, some capabilities of which are incompatible with LRN. Thus, notwithstanding that BellSouth has known for almost a year that LRN would be required under a Georgia Public Service Commission order (Order Approving LRN as the Long Term Database Solution to LNP, Docket No. 96A-196T, at 2 (rel. May 31, 1996), it is now seeking to sandbag the process at the eleventh hour under the smoke screen of introduction of new services. As an innovator in the industry, MCI applauds the introduction of new and technically innovative services into the local exchange marketplace. MCI recognizes that without such innovation, true and effective competition will never become a reality, no matter how many rules and schedules the Commission implements. Nevertheless, it is imperative for this reason that the Commission confirm that such inventiveness must not be allowed to interfere with the deployment of LNP.

VI. CONTINUED ATTEMPTS BY ILECs TO ANNUL THE COMMISSION'S DECISIONS ON QOR AND ILNP COST RECOVERY SHOULD BE REJECTED.

Notwithstanding that responses to parties that opposed or commented on reconsideration petitions should actually oppose or comment on issues raised in those filings, oppositions or comments, most LECs filing comments used this round to comment further in support of their own petitions for reconsideration, which attempt to resuscitate QOR and eliminate the application of competitively neutral cost recovery principles to ILNP costs.[19] The Commission should disregard all reiterations of these LECs' petitions for reconsideration, filed as "comments or oppositions."

Should the Commission choose not to disregard those filings, it should note that the parties that filed them raise no arguments that were not both raised in the petitions for reconsideration, and effectively rebutted by MCI and others filing oppositions to those petitions. Indeed, they are the same arguments that were originally considered and thoughtfully rejected by the Commission in its Order on LNP. With regard to QOR, the Commission has correctly found that the anticompetitive detriments of QOR outweigh any cost savings QOR could provide.[20] The Commission also correctly applied the statutory requirement for competitively neutral cost recovery to ILNP costs, and

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[19] See, e.g., GTE Comments at 11-19; Pacific Comments at 5.; NYNEX Comments at 1-2; Pacific Telesis Comments at 5.

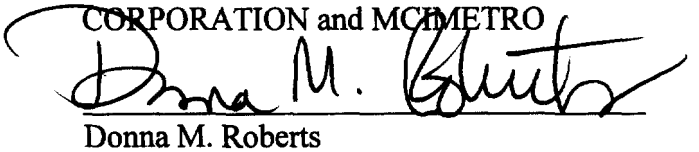
[20] Order at ¶ 54.

articulated cost recovery guidelines for states to apply.[21] Nothing suggested by the recent round of comments in this proceeding suggests to the Commission a reason to alter those findings.

WHEREFORE, for the foregoing reasons, MCI respectfully requests that the Commission: (1) reject USTA's proposal to allow alteration of the implementation schedule in the top 100 MSAs; (2) clarify that additional costs caused by ILNP should be recovered using a competitively neutral cost recovery mechanism; (3) reaffirm the importance of adherence to the LNP implementation schedule and its intention to deny all requests to delay LRN to the extent such requests are based on new technologies that are not compatible with LRN; and (4) restate its rejection of QOR.

Respectfully submitted,

MCI TELECOMMUNICATIONS CORPORATION and MCIMETRO



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[21] Order at ¶¶ 121-140.

CERTIFICATE OF SERVICE

I, Sylvia Chukwuocha, hereby certify that the foregoing **"MCI TELECOMMUNICATIONS CORPORATION'S AND MCIMETRO'S REPLY COMMENTS"**, CC Docket No. 95-116 was served this 10th day of October, 1996, by mailing true copies thereof, postage prepaid, to the following persons at the addresses listed below:

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